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HOUSE COMMITTEE ON
RESOURCES

HOUSE COMMITTEE ON
BANKING AND
FINANCIAL SERVICES

Congress of the United States House of Representatives Washington, DC 20515-2504

December 15, 1997

The Honorable Robert E. Rubin
Secretary
Department of the Treasury
1500 Pennsylvania Ave NW
Washington, D.C. 20220-0001

Dear Mr. Secretary:

I am writing to comment on the Department of Treasury's (Treasury) proposed regulations for implementation of the EFT 99 and on the public education plans of Treasury:

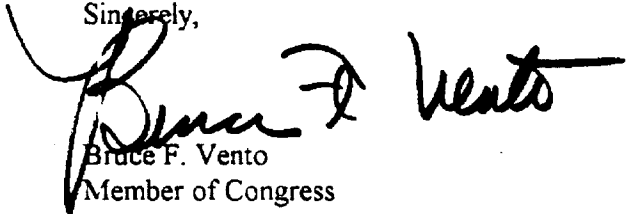
- Minimum requirements for voluntary accounts should be specified. The law directs Treasury to provide all recipients who will receive federal payments electronic access to an account at a financial institution at a reasonable cost and with the same consumer protections available to other account holders at the financial institution. Unfortunately, Treasury has failed to specify even minimum standards for the voluntary accounts opened by recipients to comply with the new law. Because Treasury's public education campaign will encourage recipients to start opening these accounts immediately, it is imperative for Treasury to require, at a minimum: (1) that recipients be able to access their federal money through a related "affiliated" entity; (2) that fees charged for these accounts be reasonable; and (3) that consumer protections apply to all account transactions and "affiliated" entities.
- Criteria for financial hardship waivers should be clarified. The proposed regulations say that recipients who open voluntary accounts are thereafter disqualified from obtaining a financial hardship waiver. Treasury should make it clear that instances and experience may justify a future waiver and that voluntary opened accounts may well be eligible for such exemption.
- Electronic Transfer Accounts (ETAs) should be available to all. The ETA option should be available to all recipients of federal benefits, including those who open voluntary accounts, including those within the related entities format. For that reason, it is important that Treasury publicize a full description of the low cost ETAs well before any aspect of EFT 99 is implemented.

EFT regulations and Treasury's public education campaign about EFT 99 should provide complete and accurate information to recipients. In addition to encouraging recipients to open

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accounts at financial institutions, the public education campaign and the regulations should inform recipients that the U.S. Government will provide low cost accounts at financial institutions for recipients who do not have accounts, and that recipients will be allowed to continue to receive paper checks if electronic banking causes a financial or other hardship.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce F. Vento", with a long horizontal stroke extending to the right.

Bruce F. Vento
Member of Congress

BFV:kj